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*Counsel for Christopher McAlary*

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:

CASH CLOUD, INC.,  
dba COIN CLOUD,

Debtor.

Case No.: Case No. BK-S-23-10423-MKN

Chapter 11

**DECLARATION OF CHRISTOPHER  
MCALARY IN SUPPORT OF OPPOSITION  
TO APPROVAL OF STIPULATION  
GRANTING DERIVATIVE STANDING TO  
THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS WITH  
RESPECT TO CERTAIN ACTIONS**

Hearing Date: OST REQUESTED  
Hearing Time: OST REQUESTED

I, CHRISTOPHER MCALARY, hereby declare as follows:

1. I am the former Chief Executive Officer of Cash Cloud, Inc. dba Coin Cloud (the “Debtor” or “Cash Cloud”), debtor and debtor in possession in the above captioned chapter 11 case (the “Chapter 11 Case”).

2. Except as otherwise indicated herein, this Declaration is based upon my personal knowledge. I am over the age of 18 and am mentally competent. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

3. I make this Declaration in support of the *Opposition to Approval of the Stipulation Granting Derivative Standing to the Official Committee of Unsecured Creditors with Respect to*

1 *Certain Actions* [ECF No. 1029].

2           4.       The major litigation target, Cole Kepro, serves as the co-chair of the Unsecured  
3 Creditors' Committee! I believe that but for Cole Kepro delivering DCM's containing defects in  
4 2020 and 2021 which they knew about prior and did not inform Cash Cloud about, and but for  
5 BitAccess not terminating the DCM software shortly after the purchase of BitAccess by Bitcoin  
6 Depot in 2021 (the debtors claims against Cole Kepro, BitAccess and BitCoin Depot are hereafter  
7 referred to as "Target Litigation"), with little notice and in express violation of their written  
8 contracts with Cash Cloud, the Debtor would not have had to file this Bankruptcy Case.

9           5.       I submitted the only bid for the Target Litigation at the auction.

10           6.       Between June and August of 2023, I negotiated with the Debtor, via its independent  
11 director, financial consultant, and attorneys, to purchase the Target Litigation for the sum of  
12 \$750,000, plus a percentage of net recoveries from such claims.

13           7.       A larger amount was offered for a global resolution.

14           8.       The Debtor represented that the Committee rejected any settlement and was  
15 preparing a demand letter.

16           9.       The Debtor determined to file a motion to approve that agreement (the "Approval  
17 Motion") on shortened time, because the Debtor's payment to the arbitrator in the BitAccess  
18 arbitration (approximately CAD 230,000) is past due.

19           10.      On the evening of the day that the approval motion was to be filed, the Debtor  
20 advised me that the Debtor would not file the Approval Motion due to the objection of the  
21 Committee.

22           11.      I hereby declare under the penalty of perjury that the foregoing is true and correct  
23 to the best of my knowledge, information and belief.

24           DATED this 7th day of August 2023.

25                               /s/ Christopher McAlary  
26                               CHRISTOPHER MCALARY  
27  
28

**CERTIFICATE OF SERVICE**

I am an employee of Carlyon Cica Chtd. On the date of filing of the foregoing papers with the Clerk of Court I caused a true and correct copy to be served in the following manner:

☒ ELECTRONIC SERVICE: Pursuant to LR 2002 of the United States Bankruptcy Court for the District of Nevada, the above-referenced document was electronically filed and served on all parties and attorneys who are filing users through the Notice of Electronic Filing automatically generated by the Court.

☐ UNITED STATES MAIL: By depositing a true and correct copy of the above-referenced document into the United States Mail with prepaid first-class postage, addressed to the parties at their last-known mailing address(es):

☐ OVERNIGHT COURIER: By depositing a true and correct copy of the above-referenced document for overnight delivery via a nationally recognized courier, addressed to the parties listed below which was incorporated by reference and made final in the w at their last-known mailing address.

☐ FACSIMILE: By sending the above-referenced document via facsimile to those persons listed on the attached service list at the facsimile numbers set forth thereon.

I declare under penalty of perjury that the foregoing is true and correct.

/s/ Nancy Arceneaux  
An employee of Carlyon Cica Chtd.